



STATE OF WASHINGTON

ECONOMIC AND REVENUE FORECAST COUNCIL

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FOR IMMEDIATE RELEASE

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OLYMPIA, November 16, 2006 --- The economic outlook, both nationally and locally, has changed very little since the forecast adopted just two months ago and revenue collections since the last forecast are only slightly higher than expected. As a result, the revenue forecast has been increased by a relatively minor \$56.6 million for the 2005-07 and 2007-09 biennia combined.

The November 2006 General Fund-State revenue estimate for the 2005-07 biennium is \$27,365.8 million. The new forecast is \$49.0 million more than expected in September of which \$21.0 million is due to higher than expected revenue collections during the last two months. The forecast for the 2007-09 biennium is \$29,533.3 million, which is \$7.6 million higher than expected in September.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 2005-07 and 2007-09 biennia. The forecast based on more optimistic economic assumptions netted \$283 million (1.0 percent) more revenue in the current biennium and \$1,667 million (5.6 percent) more revenue in the next biennium than did the baseline while the pessimistic alternative was \$298 million (1.1 percent) lower this biennium and \$1,774 million (6.0 percent) lower next biennium. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$122 million (0.4 percent) less revenue this biennium and \$476 million (1.6 percent) less revenue next biennium than did the baseline forecast.

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